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VANCOUVER, B.C. V6Z 2N3 CANADA  
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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-96-06

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
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**IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

**and**

**Applications by British Columbia Hydro and Power Authority ("BC Hydro")  
for the Review of the F2007 and F2008 Revenue Requirements Application ("F07/F08 RRA")  
and for the Review of the 2006 Integrated Electricity Plan ("2006 IEP")  
and the Approval of the 2006 Long-Term Acquisition Plan ("LTAP")**

**BEFORE:**

R.H. Hobbs, Chair  
L.A. Boychuk, Commissioner  
A.J. Pullman, Commissioner

August 3, 2006

**O R D E R**

**WHEREAS:**

- A. In a letter dated March 15, 2006, BC Hydro applied for Commission approval to set its current rates as interim effective April 1, 2006 and in the same letter informed the Commission that the balance of the F2007 and F2008 RRA would be filed in or about late April 2006; and
- B. By Order No. G-32-06 dated March 23, 2006, the Commission approved current customer rates as interim effective April 1, 2006; and
- C. By Commission Order No. G-103-05 dated October 5, 2005, the Commission approved a Negotiated Settlement in the Resource Expenditure Acquisition Plan ("REAP") proceeding. In the REAP Negotiated Settlement, BC Hydro committed to seek, pursuant to Section 45 (6.2) of the Utilities Commission Act (the "Act, "UCA"), regulatory approval of the LTAP, to be included with the 2006 IEP; and
- D. On March 29, 2006, BC Hydro filed, pursuant to Section 45 (6.1) of the Act, the 2006 IEP and the LTAP with the Commission for review; and
- E. The 2006 IEP is a long-term plan that describes how BC Hydro could meet customers' electricity needs over a 20-year planning horizon and the resource options available to meet those needs under a variety of assumptions and risks; and
- F. The LTAP is an action plan that is supported by the 2006 IEP. It itemizes the actions BC Hydro intends to take in the next ten years to meet customers' electricity needs as part of BC Hydro's overall planning and resource acquisition process; and
- G. BC Hydro seeks an Order which: (i) states that the 2006 LTAP meets the requirements of Section 45 (6.1) of the UCA; (ii) makes specific determinations under Subsection 45 (6.2)(b) of the UCA with respect to certain

planned expenditures; and (iii) approves the transmission LTAP plan and contingency plans for inclusion in the Utility's Network Integrated Transmission Service application; and

- H. In its cover letter dated March 29, 2006, BC Hydro proposes a Pre-hearing Conference to assist with establishing a Regulatory Agenda or Agendas for both its F07/F08 RRA and the 2006 IEP and LTAP; and
- I. By Order No. G-37-06, the Commission established a Procedural Conference to hear submissions on the regulatory process for the review of the both the RRA and the 2006 IEP and LTAP. The Procedural Conference was scheduled for May 19, 2006; and
- J. In a letter dated May 1, 2006, BC Hydro informed the BCUC and all Intervenors and Interested Parties of a delay and that the balance of its F07/F08 RRA would be filed towards the end of May 2006; and
- K. The Joint Industry Electric Steering Committee ("JIESC") submitted to the BCUC in a letter dated May 5, 2006 that participants should not be required to file Information Requests with respect to the 2006 IEP, LTAP or RRA prior to the filing of the F07/F08 RRA because the applications are intertwined. It submitted that the Procedural Conference be postponed to the week of June 19, 2006. The JIESC also requested that the Commission reconsider its Order No. G-32-06 making BC Hydro's rates interim; and
- L. On May 10, 2006, the Commission issued a letter with a draft regulatory timetable and an accompanying Order No. G-51-06 (IEP Exhibit A-4) to address issues raised by Intervenors with respect to the delay by BC Hydro in filing the F07/08 RRA; and
- M. The Commission held a Procedural Conference on May 19, 2006 wherein the Commission Panel considered submissions on whether or not the Order on interim rates should be reconsidered, whether a rate design application should be filed, and the scheduling for the regulatory review of the 2006 IEP and LTAP, the F07/08 RRA and a rate design application; and
- N. By Order No. G-59-06 dated May 24, 2006, the Commission Panel approved the reconsideration of Order No. G-32-06 on interim rates and set the regulatory timetable leading to the Second Procedural Conference; and
- O. On June 19, 2006, the Commission issued Order No. G-70-06 denying the Reconsideration Application. In the same Order, the Commission approved the request in the F07/F08 RRA for a regulatory asset (deferral account) to record the revenue deficiency incurred during the period from April 1, 2006 to June 30, 2006, net of any disallowance of F07 revenue requirements. The Order also required that if BC Hydro expected to bring an application for carrying costs then BC Hydro was to do so within 30 days of the Order; and

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- P. By letter dated July 27, 2006, the Commission asked BC Hydro and Intervenor to comment on the consolidation of the 2006 IEP/LTAP and F07/F08 RRA; the use of the negotiated settlement process (NSP); the filing date for the rate design application; the proposed regulatory timetables; and a contemplated change to the Commission Panel; and
- Q. By letter dated July 28, 2006 BC Hydro informed the Commission that BC Hydro would not be charging carrying costs to the regulatory asset (deferral account) approved by Order No. G-70-06 and accordingly would not be filing an application; and
- R. By letter dated July 28, 2006, BC Hydro asked the Commission to confirm if the F2006 Call Energy Supply Contracts ("ESC") as filed on August 31, 2006 will proceed without any further regulatory process; and
- S. At the Second Procedural Conference, JIESC and BC Hydro separately provided revisions to the proposed regulatory timetables; and BC Hydro advised that it is ready to file the rate design application within thirty days of receipt of a decision on the F07/F08 RRA; and
- T. The Commission Panel has made determinations with respect to the issues of consolidation, the use of NSP and the regulatory timetables.

**NOW THEREFORE** the Commission orders as follows:

- 1. The Regulatory Timetable to complete the review of the 2006 IEP and the LTAP and F07/F08 RRA is established as set out in Appendix A to this Order.
- 2. BC Hydro is to file a rate design application within thirty calendar days of the date of the F07/F08 RRA Decision.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 3<sup>rd</sup> day of August 2006.

**BY ORDER**

*Original signed by*

Robert H. Hobbs  
Chair

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**APPENDIX A**  
to Order No. G-96-06  
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**REGULATORY TIMETABLE**

<b>ACTION</b>	<b>DATE (2006)</b>
Participant Assistance/Cost Award Budgets	Friday, August 11
BCUC IR No. 2 on F07/F08 RRA	Thursday, August 17
Intervenor IR No. 2 on F07/F08 RRA	Tuesday, August 22
BC Hydro Evidentiary Update on F07/08 RRA (except restated budgets by LoB) and Amended LTAP with supporting documentation	Thursday, August 31
BCUC and Intervenor IR No. 3 on BC Hydro Evidentiary Update on F07/08 RRA (except restated budgets by LoB) and BCUC IR No. 4 and Intervenor IR No. 3 on Amended LTAP	Friday, September 8
BC Hydro restated Budgets by LoB	Friday, September 15
BC Hydro Response to BCUC and Intervenor IR No. 2 on F07/F08 RRA	Monday, September 18
BC Hydro Response to IRs on BC Hydro Evidentiary Update on F07/08 RRA (except restated budgets by LoB) and Amended LTAP	Friday, September 29
Intervenor Evidence on 2006 IEP and Amended LTAP and F07/F08 RRA	Friday, October 6
BCUC and Participant IR No. 1 on Intervenor Evidence on 2006 IEP and Amended LTAP and F07/F08 RRA	Friday, October 13
Workshop and NSP on F07/F08 RRA, except deferral account recoveries	Monday, October 16 – Friday, October 20

**REGULATORY TIMETABLE**

<b>ACTION</b>	<b>DATE (2006)</b>
Response to IR No. 1 on Intervenor Evidence on 2006 IEP and LTAP and unsettled F07/F08 RRA issues	Wednesday, November 1
BC Hydro 2006 IEP/LTAP Testimony and Rebuttal Evidence	Monday, November 6
Sign-off Date on NSP, if applicable	Monday, November 6
Third Procedural Conference	Wednesday, November 8
Staff issue Hearing Issues List – IEP/LTAP	Friday, November 10
2006 IEP/LTAP Opening Oral Submissions	Tuesday, November 14
BC Hydro Consolidation of Hearing Issues List	Thursday, November 16
Commission Panel issues Hearing Issues List	Monday, November 20
2006 IEP/LTAP Oral Hearing Commences	Wednesday, November 22
Response to IR No. 1 on F07/F08 RRA Intervenor Evidence, if no settlement	Friday, December 1
BC Hydro F07/08 RRA Testimony and Rebuttal Evidence	Friday, December 8
Staff issue Hearing Issues List – F07/08 RRA	Friday, December 15
F07/F08 RRA Opening Oral Submissions	Monday, December 18
BC Hydro Consolidation of Hearing Issues List	Wednesday, December 20
Commission Panel issues Hearing Issues List	Wednesday, January 3
F07/F08 RRA Oral Hearing Commences	Monday, January 8